

CREDIT RATING REPORT
On
CENTRAL INSURANCE COMPANY LIMITED

REPORT: RR/25387/18

Credit Rating Report

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's Claim Paying Ability Rating is valid for only one year from the date of rating. After the above period, the rating will not carry any validity unless the company goes for rating surveillance. **CRISL followed Insurance Rating Methodology published in CRISL website www.crislbd.com**

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Entity Rating:
CPA Rating: A+

Outlook: Stable

Rating:
Based on Financials up to
December 31, 2017

**CENTRAL
INSURANCE
COMPANY LIMITED**

ACTIVITY
Non-Life Insurance

**DATE OF
INCORPORATION**
November 12, 1987

**COMMENCEMENT OF
BUSINESS**
December 10, 1987

CHAIRMAN
Md. Abu Taher
Chowdhury

**CHIEF EXECUTIVE
OFFICER**
Md. Zahid Anwar Khan

EQUITY
TK.1,073.75 million

TOTAL ASSETS
TK.1,702.50 million

	Claim Paying Ability
CPA Rating	A+
Outlook	Stable
Date of Rating: December 31, 2018	Valid up to: December 30, 2019

1.0 RATIONALE

CRISL has assigned the Claim Paying Ability (CPA) Rating of 'A+' (pronounced as Single A plus) to Central Insurance Company Limited (CICL) based on the audited financials up to December 31, 2017 and other relevant qualitative and quantitative information up-to the date of rating. The above rating has been done after due consideration of its fundamentals such as stable financial performance, good liquidity, good FDR base, diversified investment portfolio etc. However, the above rating is constrained to some extent by moderate return on equity, management expense beyond allowable limit, small market share etc.

CICL sources 100% of its business from Bangladesh market. The company continues to deliver a consistent pattern of underwriting and financial performance. Based on the financial results for YE2017, its profitability, solvency and technical performance indicators stood at almost stable from the previous year. Gross underwriting margin and net underwriting margin increased to 57.03% and 19.91% in YE2017 from 56.42% and 19.52% in YE2016 respectively. ROAA and ROAE are increased to 6.76% and 7.92% from 6.63% and 7.72% during the above periods respectively. The gross and net premium also slightly rose during the reporting period. CRISL views CICL's investment strategy as diversified and secured with around 87.23% of its funds residing in cash and fixed deposits as well as in fixed income instruments and rest 12.77% in capital market investment indicating adoption of conservative policy.

The company maintained a good capital base of its business profile to Tk.470.83 million against the regulatory minimum level of Tk.400 million.

